

SENATE BILL No. 274

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12.1-14.

Synopsis: Tax abatement fee. Allows a city, town, or county that grants a tax abatement to impose an annual fee on the recipient of the abatement in an amount not to exceed 15% of the additional property taxes that would have been paid during that year without the abatement. Allows the designating body to terminate the abatement if the fee is not paid.

Effective: July 1, 2004.

Skillman

January 8, 2004, read first time and referred to Committee on Finance.

C
o
p
y



Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

SENATE BILL No. 274

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12.1-14 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2004]: **Sec. 14. (a) This section does not apply**
4 **to:**

5 (1) a deduction under section 3 of this chapter for property
6 located in a residentially distressed area; or

7 (2) any other deduction under section 3 or 4.5 of this chapter
8 for which a statement of benefits was approved before July 1,
9 2004.

10 (b) A property owner that has received a deduction under
11 section 3 or 4.5 of this chapter is subject to this section if the
12 designating body adopts a resolution incorporating this section for
13 the economic revitalization area in which the property owner is
14 located.

15 (c) During each year in which a property owner's property tax
16 liability is reduced by a deduction granted under this chapter, the
17 property owner shall pay to the county treasurer a fee in an

2004

IN 274—LS 6906/DI 44+



C
o
p
y

1 amount determined by the county auditor. The county auditor
 2 shall determine the amount of the fee to be paid by the property
 3 owner according to the following formula:

4 **STEP ONE: Determine the additional amount of property**
 5 **taxes that would have been paid by the property owner during**
 6 **the year if the deduction had not been in effect.**

7 **STEP TWO: Multiply the amount determined under STEP**
 8 **ONE by a percentage specified by the designating body in the**
 9 **resolution adopted under subsection (b), which may not**
 10 **exceed fifteen percent (15%).**

11 **(d) Fees collected under this section must be distributed to one**
 12 **(1) or more public or private entities that promote economic**
 13 **development within the corporate limits of the city, town, or county**
 14 **served by the designating body. The designating body shall notify**
 15 **the county treasurer of the entities that are to receive distributions**
 16 **under this section and the relative proportions of those**
 17 **distributions. The county treasurer shall distribute fees collected**
 18 **under this section in accordance with the designating body's**
 19 **instructions.**

20 **(e) If the designating body determines that a property owner has**
 21 **not paid a fee imposed under this section, the designating body may**
 22 **adopt a resolution terminating the property owner's deduction**
 23 **under section 3 or 4.5 of this chapter. If the designating body**
 24 **adopts such a resolution, the deduction does not apply to the next**
 25 **installment of property taxes owed by the property owner or to any**
 26 **subsequent installment of property taxes.**

C
O
P
Y

